

Exhibit B

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(U) Interview of Scott Pecullan on
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because of liquidity concerns, Morgan Stanley would want a person handling the order. A client can place order limits and a suite of benchmark execution strategies; for example, percentage of volume and targeting VWAP.

Swap orders at Morgan Stanley went to an electronic system called Minerva, which was an electronic swaps trader. Minerva checked if the name was on the restricted list. The last thing Minerva would do was to generate a ticket for an order for Morgan Stanley's book. Any order that goes through the cash organization goes through this process. If an order was directly placed with Morgan Stanley, it would not go through this process. PECULLAN did not think Archegos contacted Morgan Stanley directly.

Carbon was a sales order management system. A swap order went to Minerva after Carbon. Minerva was responsible for conducting a series of checks and made it a trade for the hedge transaction for Morgan Stanley. If it was a swap order and it was restricted, Morgan Stanley could not hedge that swap and Minerva would reject it. Minerva would make sure Morgan Stanley obtained a locate if the client wanted to short. If the client wanted to terminate a transaction, then Minerva would make sure the client actually had the transaction to unwind. If there was an agency cash order, Morgan Stanley could execute the order for the client whether or not the name was on their restricted list.

Morgan Stanley would need to buy the stock in order to hedge it. PECULLAN believed clients understood that Morgan Stanley was hedging one-for-one and that Morgan Stanley was not pre-positioning in a way other trading desks might. PECULLAN believed clients also understood that after the execution took place, Morgan Stanley may net against other positions, among other things. Since Morgan Stanley was not a bank and was not accessing deposits, Morgan Stanley was generally sourcing some form of financial transaction, either netting down their book or pledging equity transaction.

Regarding netting, Morgan Stanley would sell-off the hedge or part of it. Netting occurred any time there were two derivative transactions that were providing opposite exposure resulting in Morgan Stanley not having to carry a physical hedge. Morgan Stanley always bought the shares in the market for the client and set the hedge for that price.

For pledging, or an equity repurchase agreement, Morgan Stanley would borrow cash from the lender and pledge portfolio shares to the lender as collateral. PECULLAN believed Morgan Stanley engaged in netting and pledging for Archegos's trades; otherwise it was left on Morgan Stanley's books unencumbered. Morgan Stanley generally would not leave a small residual portion of its book unencumbered. PECULLAN believed approximately 90% of

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Archegos's positions were netted or pledged with Morgan Stanley.

Hedging contributed to Morgan Stanley's reporting because Morgan Stanley managed their reporting in a sub-ledger, which was divided into a number of accounts. If a client added shorts, then a Morgan Stanley trader would need to find a locate to hedge the short. Morgan Stanley would report the shares as if it was a long position.

If a client of Morgan Stanley had 100 shares of a name short and another client bought 100 shares of the same name long, Morgan Stanley would let that happen because it netted to zero. In this scenario, if the client wanted to buy their short, then Morgan Stanley would have to buy to even it out. At the time of execution, Morgan Stanley would purchase those shares in the marketplace. Morgan Stanley always purchased shares for an accepted order.

Morgan Stanley had a number of different benchmark execution strategies. If a client requested one of them, the order would be entered with specific instructions. SORT was more of an internal ECN manager and more of a direct-to-market tool. Benchmark execution took the order, decided how to take pieces of the order over time, and each piece would be sent to SORT for execution.

Swaps could be executed pre-market or post-market, either four hours before market opening or four hours after the close. Morgan Stanley could not put on a trade at 2:00 a.m., for example, because they would not have a way to hedge the trade at that time. PECULLAN believed that a client that was using a VWAP execution strategy could use that to trade at a particular time of the day.

PECULLAN believed Archegos executed custom baskets. Custom baskets were bespoke products and needed to be set up in Morgan Stanley systems. Morgan Stanley had a trading system that could automatically create a basket of names for execution. When the order would come in for index or custom baskets, it was usually because the client wanted to do a single line, such as \$10 million, for example; in this instance, the system would calculate the portfolio for the correct number of names to execute the \$10 million.

Morgan Stanley set limits for certain ownership levels. A client would ask up front how much capacity Morgan Stanley had to execute trades. The swaps desk would then calculate the numbers to set a limit that a client could not exceed. Most clients had a margin agreement in place for setting risk levels. If a client wanted to execute a large order, there may be a conversation up front with Morgan Stanley to see what the client would need